## COLORADO HIGHER EDUCATION ACCOUNTING STANDARDS COMMITTEE

Gary Williams, Chair Auraria Higher Education Center P.O. Box 173361 Denver, Colorado, 80217-3361

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The enclosed document is the comment of the Colorado Higher Education Accounting Standards Committee on the exposure draft Consolidated Financial Statements: Policy and Procedures. The GASB/FASB Sub-Committee is authorized to speak for the full committee when deadlines do not permit consideration of an issue at a full committee meeting; in addition, the sub-committee invited comment and received input from members of the full committee.

Gary Williams

Chair

## COLORADO HIGHER EDUCATION ACCOUNTING STANDARDS COMMITTEE

GASB/FASB SUBCOMMITTEE
Dick Schubert, Chair
Aims Community College
5401 West 20th Street, P O Box 69
Greeley, Colorado, 80632

(970) 330-8008, extension 228

January 7, 1996

Director of Research and Technical Activities File Reference 154-D Financial Accounting Standards Board 401 Merritt 7 P O Box 5116 Norwalk, Connecticut, 06856-5116

## CONSOLIDATED FINANCIAL STATEMENTS: POLICY AND PROCEDURES

The Colorado Higher Education Accounting Standards Committee — which represents all of the public colleges and universities in the state of Colorado — wishes to comment on issues raised in your exposure draft of a proposed Statement, Consolidated Financial Statements: Policy and Procedures. The Colorado Higher Education Accounting Standards Committee interprets and creates accounting standards which are used by all state colleges and universities in Colorado for financial statement preparation.

The Committee's interest in this matter is from the perspective of public institutions of higher education. The public colleges and universities in Colorado currently follow the specialized industry accounting and reporting principles of the AICPA College Guide model as defined in GASB Statement 15.

In our opinion, the concept of "control" used as the criterion in the proposed Statement is not workable for a not-for-profit organization. In application, this criterion is subjective rather than objective and therefore may result in a lack of comparability between similar entities.

We believe that comparability is imperative. We suggest that criteria similar to those in GASB Statement 14, The Financial Reporting Entity, be used for not-for-profit organizations.

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Thank you for the opportunity to comment on this proposal. We hope our comments are useful.

> best wishes, 1 mm

Dick Schubert